GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2191
ANSWERED ON:30.11.2007
PRIORITY SECTOR CREDIT TARGET FOR UNDERPRIVILEGED SECTORS
Reddy Shri Mekapati Rajamohan

Will the Minister of FINANCE be pleased to state:

(a) whether Banking Sector has set up any priority sector credit targets for underprivileged sections; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : Yes, Sir. The revised guidelines of the Reserve Bank of India (RBI) on priority sector lending stipulate, inter-alia, a target of 40% of Adjusted Net Bank Credit (ANBC) or credit equivalent of Off-Balance Sheet Exposure, whichever is higher, for lending to the priority sector by domestic scheduled commercial banks, both in public and private sector. Within this, not less than 10% of ANBC is to be given to the `Weaker Sections`. The revised guidelines on priority sector lending are available at RBI`s website http://www.rbi.org.in.

The Weaker Sections under priority sector include;

(a) Small and marginal farmers with land holding of 5 acres and less, and landless labourers, tenants farmers and share croppers;
(b) Artisans, village and cottage industries where individual credit limits do not exceed Rs.50,000;
(c) Beneficiaries of Swarnjayanti Gram Swarozgar Yojana(SGSY)
(d) Scheduled Castes and Scheduled Tribes;
(e) Beneficiaries of Differential Rate of Interest(DRI) Scheme;
(f) Beneficiaries under Swarna Jayanti Shahari Rozgar Yojana(SJSRY);
(g) Beneficiaries under the Scheme for Liberation and Rehabilitation of Scavengers (SLRS);
(h) Advances to Self Help Groups(SHGs);
(i) Loans to distressed poor to prepay their debt to informal sector, against appropriate collateral or group security;
(j) Loans granted under (a) to (i) above to persons from minority communities as may be notified by the Government from time to time.